**THE HON'BLE Ms. JUSTICE G. ROHINI**

**WRIT PETITION NO.22972 OF 2006**

**DATED: 9th NOVEMBER, 2006.**

Between :

Vakati Sridhar Reddy .. Petitioner

And

1. The Syndicate Bank, rep. By its Manager,
   Gudur Branch, Nellore District.,
   And 2 others. .. Respondents

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**WRIT PETITION NO.22972 OF 2006**

**ORDER :**

This writ petition is filed seeking a declaration that the action of the respondents 1 and 2 in conducting sale of the house property bearing Door No.9/64 situated in Gudur Municipality under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 as arbitrary and illegal.

I have heard the learned Counsel for the petitioner as well as the learned Counsel appearing for the respondents 1 and 2.

The material on record shows that the petitioner has availed a loan of Rs.5 lakhs in the year 2001 from the 1st respondent Bank by creating equitable mortgage in respect of the house property in question. Since the petitioner committed default in discharging the loan, the respondents 1 and 2 having invoked the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, 'the Act') brought the secured assets to sale by inviting tenders. It is not in dispute that the sale was already conducted on 16-10-2006 as per schedule.

Now, in this writ petition, the said sale proceedings are questioned on the ground that the respondents 1 and 2 have sold the property to a paultry sum of Rs.3 lakhs, whereas the said property is worth more than Rs.7 lakhs. It is alleged that the respondents failed to obtain valuation of the property as per the procedure prescribed under the Security Interest (Enforcement) Rules, 2002 (for short, 'the Rules,

2002') and the reserve price fixed under the sale notice at Rs.3 lakhs (Rupees Three lakhs only) was abnormally low. Thus, it is contended that the entire procedure followed by the respondents 1 and 2 is arbitrary, illegal and contrary to the provisions of the Rules, 2002 resulting in irreparable loss to the petitioner. Hence, this writ petition.

At the outset, it is to be noted that the sale conducted on 16-10-2006 under the impugned notice is one of the measures specified under sub-section (4) of Section 13 of the Act to recover the secured debt from the petitioner. The petitioner did not dispute his liability under the loan account nor the proceedings initiated under the Act against the secured assets were challenged on any ground whatsoever.

Hence, even assuming that the procedure prescribed under the Rules, 2002 was not followed by the respondents while conducting sale on 16-10-2006, the same being one of the measures mentioned under sub-section (4) of Section 13 of the Act, if aggrieved, the petitioner ought to have availed the alternative remedy provided under Section 17 of the Act. Without exhausting the efficacious alternative remedy available under Section 17 of the Act, the petitioner cannot maintain this writ petition.

Accordingly, the Writ Petition is dismissed. No costs.

However, this shall not preclude the petitioner to work out the alternative remedy available under Section 17 of the Act.

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G.ROHINI, J.

Dt. 9-11-2006
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